

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 25(2012)

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act, 1994*, SNL 1994, Chapter E-5.1 (the
3 “*EPCA*”) and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the “*Act*”), and regulations thereunder;

5
6 **AND**

7
8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro for
10 approval of the Stephenville Gas Turbine
11 alternator stator rewind and associated
12 work pursuant to Section 41 of the *Act*.

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14
15 **WHEREAS** Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and
16 existing under the *Hydro Corporation Act*, is a public utility within the meaning of the *Act*, and
17 is subject to the provisions of the *EPCA*; and

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19 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with the
20 construction, purchase or lease of improvements or additions to its property where:

- 21
22 a) the cost of construction or purchase is in excess of \$50,000; or
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24 b) the cost of the lease is in excess of \$5,000 in a year of the lease,

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26 without prior approval of the Board; and

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28 **WHEREAS** under Orders No. P.U. 2(2012) and P.U. 5(2012) the Board approved Hydro’s 2012
29 Capital Budget; and

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31 **WHEREAS** on July 24, 2012 Hydro applied to the Board requesting approval of the
32 construction of and capital expenditures of:

- 33
34 (i) \$492,100 for improvements and refurbishments of the Cat Arm road;
35 (ii) \$5,192,600 for the Stephenville stator rewind and associated work; and
36 (iii) \$1,616,500 for the increase in generating capacity at Mary’s Harbour; and

1 **WHEREAS** in Order No. P. U. 24(2012) the Board approved Hydro's proposal in relation to the
2 Cat Arm Road and the proposal to increase the generating capacity at Mary's Harbour will be
3 addressed in a subsequent Order of the Board; and
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5 **WHEREAS** the Stephenville Gas Turbine is a 50 MW generating unit constructed in 1975 that
6 is used as a synchronous condenser for system voltage regulation and to generate power for
7 peaking and emergency conditions (the "Stephenville Gas Turbine"); and
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9 **WHEREAS** Hydro advises that a stator winding fault occurred in December, 2011 and a
10 complete rewind of the alternator stator windings is required to restore the unit to reliable
11 service; and
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13 **WHEREAS** Hydro also advises that the following additional upgrade and refurbishment work is
14 required to ensure the continued reliable operation of the facility:
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- 16 (i) condition assessment of rotor, including replacement of retaining rings;
- 17 (ii) replacement of the isophase bus duct insulators and alternator bushings; and
- 18 (iii) replacement of the alternator protection system; and
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20
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22 **WHEREAS** the Board issued Information Requests on July 31 and August 2, 2012 and
23 responses were filed by Hydro on August 8, 2012; and
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25 **WHEREAS** the Industrial Customers and the Consumer Advocate advised that they did not
26 have any comments on this project and Newfoundland Power did not provide any comments; and
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28 **WHEREAS** the Board has reviewed the Application and all supporting documentation, and is
29 satisfied the proposed refurbishment of the Stephenville Gas Turbine is necessary for the
30 continued reliable operation of the Island Interconnected System.
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32 **IT IS THEREFORE ORDERED THAT:**
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- 34 1. The proposed capital expenditure of \$5,192,600 for the Stephenville Gas Turbine
35 alternator stator rewind and associated work is approved.
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- 37 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador this 16th day of August, 2012.

Darlene Whalen, P.Eng.
Vice-Chairperson

Dwanda Newman, LL.B.
Commissioner

Cheryl Blundon
Board Secretary